



LEGISLATIVE UPDATE

from **Senator Rosa Franklin**

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Dear Neighbors,

The 2004 session may have been a short one, but it was extremely busy.

The most critical task the Legislature faced was fixing our 70-year-old primary election system, which was declared unconstitutional by the 9th Circuit Court. The challenge was coming up with a new primary system that would maximize voter choice while minimizing any legal challenges that could disrupt the 2004 elections. (More on what happened on this issue later in this newsletter).

The Legislature had to balance the budget, which I am happy to report was much easier this year, as the revenue shortfall was \$200 million rather than the \$2.6 billion deficit faced during the 2003 session.

Regardless of the magnitude of a "supplemental" deficit, budgets reflect legislative priorities, and my philosophy is that any budget should be measured by what it does to improve schools, promote family-wage jobs and make health care affordable.

Progress was made in some, but not all, of those areas.

The highlights of the 2004 session included:

- Approving a "supplemental" budget without increasing taxes
- Reducing health care co-premiums for children in the Medicaid program
- Adopting a new qualifying primary election system
- Increasing educational opportunities by providing funding so that 3,000 more students can attend our colleges and universities.

There were also disappointments: The Legislature did not make substantial progress on the medical malpractice issue or make it easier for school districts to win levy approval by allowing passage to occur with a simple majority of the vote, rather than the 60 percent now required. Nor did the Legislature boost apprenticeship training programs. For example, Senate Bill 6182 would have steered more of the jobs on state-funded construction projects to apprentices, which benefits young people by giving them skills that pay well.

This newsletter provides some information about these and other issues. I hope you will find it useful.

Warmly,

Rosa Franklin
May 2004

Balancing the Budget

This session the Legislature approved what's called a supplemental budget, which amounts to tweaking the two-year budget approved last year so it reflects unanticipated expenses.

Highlights of the budget included:

Increasing higher education

enrollments: To allow higher student enrollment at our community colleges and universities, the Legislature funded about 3,000 additional higher-ed slots.

Reducing children's medical

premiums: Last session, faced with a \$2.6 billion deficit, the Legislature imposed co-premiums on children from low-income families who are eligible for health insurance through the Medicaid program. This session the Legislature reduced those premiums, ensuring that more low-income families will continue to have health insurance for their children.

Boosting wages for home health

care workers: Thousands of frail senior citizens and disabled people rely upon home care workers to help them live in their own homes, which is where most want to be, rather than in nursing homes or institutions. However, the 26,000 home care workers who provided these vital services have received low wages for too long. This session, the Legislature passed the re-negotiated home-care workers contract, which included a wage increase, as well as health benefits. This was a much deserved victory for these workers!

Medical Malpractice

Medical malpractice premiums for physicians are escalating at double-digit rates, putting enormous financial pressures on medical doctors.

This current liability crisis—the third since the early 1970s—prompted numerous proposals and much debate during the 2004 session. Regrettably, the Legislature did not make much progress on this issue. It became very divisive because there was not a compromise acceptable to the doctors or the Liability Coalition, which wanted caps on non-economic damages. The insurance companies did not step up to the plate as they should have. They are a part of the problem and must be a part of the solution.

Senate Bill 5728, which I did not support, was too extreme. The bill, which would have imposed a \$350,000 cap on non-economic ("pain and suffering"), passed the Senate and died in the House.

On the other side of the Legislature, the House of Representatives passed more than a dozen bills. Those measures focused on:

- **Improving patient safety** and reducing medical errors so fewer lawsuits would be filed.
- **Stabilizing malpractice insurance rates** so coverage would be more affordable for physicians and hospitals.
- **Reforming the civil justice system** so both patients and physicians could settle their differences quicker.



Results: Patient safety bill passes, but little else

Despite bipartisan support for many of the House-passed bills, very few of them made it through the Senate. The Legislature did pass a patient safety bill (SB 6210) that allows hospitals to share information gathered from their patient safety committees with other hospitals and medical groups. The idea is that this will allow each institution to learn from the mistakes and experience of their peers, ultimately resulting in fewer medical errors and lawsuits.

Very few of the other House bills passed, even one that would have brought immediate relief to physicians by boosting Medicaid reimbursement rates by \$30 million for doctors who deliver babies and provide emergency room services. Consequently, the Legislature missed an opportunity to enact a comprehensive approach that would have improved patient safety, stabilized the insurance market and improved our legal system WITHOUT undermining a patient's right to have a jury of peers determine how much they should receive in compensation for a preventable injury.

Health Care: Making it more affordable

Prescription drugs. With expenditures on prescription drugs increasing at double-digit rates, it's imperative that the Legislature make every effort to



reduce prescription drug costs. HB 2469 would have helped thousands of Washington residents obtain less expensive medications in Canada. However, the bill, which passed the House, was never seriously considered in the Senate.

Health insurance for small

businesses. On the last day of session, the Legislature passed a measure designed to make insurance more affordable for the thousands of small businesses in Washington that are struggling to provide coverage for their employees. HB 2460 allows insurance companies to sell “economy plans,” which are policies that don’t have to include all the “mandated” benefits. But, at the same time, the bill ensures that employees will continue to be able to see alternative providers, such as naturopaths, chiropractors and acupuncturists. Although this compromise measure passed the Legislature, many small businesses would have preferred that only medical doctors, not other health professionals, be allowed provide most health care services. As a result, this issue may be before voters in the form of an initiative in November.

K-12 Education

We know students must be prepared for the demands of the 21st century workplace. This session, the Legislature took a few steps forward, but could have done better. Among the ups and downs were the following:

Re-taking the WASL (Washington Assessment of Student Learning).

Not all students learn at the same speed. House Bill 2195, which passed the Legislature, recognized those realities by allowing 10th

graders to retake the test as many as four times, as well as pursue other ways to demonstrate that they have the skills they will be required to have when the first WASL class graduates in 2008.

Charter schools.

Despite the fact that voters in our state have twice voted down charter schools, the Legislature enacted bills that will allow the creation of up to 45 new charter schools over the next six years. My concern is that the \$600,000 in funding for charter schools could be put to better use. It could be used to lower class sizes and increase compensation for teachers — both things that the voters have told us they want. Furthermore, we already have charter schools, it’s just they are known by other names. Tacoma District 10 has several specialty schools.



Primary Election

For almost 70 years, Washington voters have been able to walk into the voting booth and cast their primary ballot for whomever they wanted, regardless of a candidate’s party affiliation. All that changed when the political parties claimed Washington’s “blanket” primary violated their right to choose their own nominees for the general election. The federal courts agreed, declaring the current primary system unconstitutional. That left the Legislature with the unpopular task of coming up with an alternative system that would pass constitutional muster.

The solution was a contentious one. A bill was passed that enacted the “top two” or Louisiana model. That meant that the two candidates with

the most votes in the primary would face off in the general election, which could be two Democrats or two Republicans.

But the Legislature was also concerned that the “top two” system could be found to be unconstitutional. To address that possibility, the bill said the state would revert to the “modified Montana” system if the “top two” option were derailed by the courts.

Gov. Gary Locke vetoed the sections of the bill creating the “top-two primary,” leaving us with the modified Montana system.

Under it, voters choose from among three party ballots. Their choice remains confidential and no party registration is required. In the November general election, there will be no change from the current system: voters can cast ballots for any candidate, regardless of party, including the minor parties, independents and write-ins.

The result is that the overall election system will give voters more choice in November — not just the top two — and we are more likely to avoid legal challenges.

Good News for Seniors

Property Tax Exemption. If you are older than 61 and have disposable income less than \$35,000 per year, you may be eligible for more tax relief next year — thanks to legislation passed this session that raised the income eligibility levels from \$30,000. If you qualify for the exemption, the assessed value of your home will be frozen on the year you apply and stay there. In addition, you will not have to pay any excess levies and may be able to reduce your regular levies. For

LEGISLATIVE UPDATE 2004

more information, contact the Pierce County Senior Citizen and Disabled Persons Exemption Department hotline at 253-798-2169.

Medicare supplemental policy

discounts. House Bill 2354 makes it clear that it's perfectly legal for insurance companies selling Medicare supplemental policies to provide discounts to people who pay their premiums through automatic deposit of their premium payments. The new law, designed to clear up confusion about the discounts, takes effect immediately.

Prescription drug discounts. Thanks to a prescription drug bill that passed last year, Washington residents who are between 50 and 65 years of age and have income less than 300 percent of the

federal poverty level (\$26,940 for an individual, \$36,360 for a family of two) are eligible for a state drug discount card. Discounts will be for mail order only and will range from 10 to 25 percent off retail prices. The program will be available in June this year. To find out more, call 1-888-435-3377 or check the www.rx.wa.gov web site.

My Bills

A few important bills I sponsored this session became law, including ones that:

Ban Genetic Discrimination. Genetic information has great potential to advance medical knowledge and improve human life. But like any new technology, it has to be used properly. This new law makes it

clear that employers cannot use genetic information as a basis for deciding who to hire and fire.

Reduce Health Care Disparities.

A recent Institute of Medicine study found that racial and ethnic minorities often receive a lower quality of health care than others. There are several factors that contribute to these disparities in special populations, and I want to take a comprehensive look at the issue.

Address the Health Care Worker

Shortage. Faced with a statewide and national shortage of critical health care workers, this new state law (SB 6554) is aimed at streamlining the licensing and credentialing of nurses, dental hygienists and other health care professionals.

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